

**OFFICIAL FILE**  
**ILLINOIS COMMERCE COMMISSION**  
STATE OF ILLINOIS

**ORIGINAL**

ILLINOIS COMMERCE COMMISSION

City of Chicago, )  
People of Cook County )  
 )  
Petition for Emergency Rulemaking and )  
Expedited Investigation. )  
 )

Docket No. 00-0789

CHIEF CLERK'S OFFICE

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ILLINOIS  
COMMERCE COMMISSION

**ILLINOIS POWER COMPANY'S VERIFIED REPLY TO COMMENTS**

Pursuant to the scheduling order in the above-referenced docket, Illinois Power Company ("Illinois Power" or "IPC") hereby submits its reply to the comments submitted by the other parties. In an effort to be brief, we have not responded to every issue raised in other parties' comments; therefore, our silence on any specific issue should not be taken as approval of the comments on that issue.

**INTRODUCTION & SUMMARY**

Illinois Power shares the concerns of the Petitioners regarding this winter's high gas prices and the resulting effect on our consumers. We agree that action was needed and needed quickly. Not only did IPC already have in place relief measures geared toward assisting customers with high utility bills, but Illinois Power also took extra steps to increase customer awareness of options for handling this season's high utility bills. (Furthermore, although not at issue in this case, we increased our efforts through programs such as Warm Neighbors and A Hand Up, programs which help customers meet their bills.) In fact, Illinois Power's current procedures seem to almost mirror the City's list of amended requirements and meet or exceed the minimum requirements recommended by the City.

To the extent that emergency rules are adopted in this proceeding and those rules are similar to the original ones proposed by Petitioners, we are concerned that they could be read to require IPC to take a step backward to be in technical compliance with them. Therefore, we request an exemption from any rules adopted in this proceeding. An insert to a Proposed Order (along with draft exemption that keys into the two utilities we understand are the focus of Petitioners' concerns) is attached hereto as Exhibit A.

More importantly, we are very concerned that the County has raised a host of new issues in its Comments—issues that were not presented in the original petition and for which it has presented no draft rule. While we appreciate the concerns underlying the County's comments, to raise new issues at this point is not appropriate and should not be permitted to lead to additional rules being adopted at this time.

### **BACKGROUND**

To provide context for our reply comments we reiterate and expand on our the factual material presented in our initial comments. Illinois Power currently has over 134,000 residential customers on Levelized Payment Plan ("LPP"). Of these over 98,000 are gas customers, representing approximately 31% of IP's residential gas customers. Through actively promoting our LPP plan, we have added thousands more so far this year.

Illinois Power calculates customers' levelized payment amount in two different ways, depending on available data. Over 85% of our customers are on the periodic review plan, which averages the past 12 months, sets the payment at that amount for three months, and recalculates every three months. When we have insufficient history on a premise, we calculate the average payment each month. After we have 12 months of data, the customer is then placed on a periodic review and adjusted quarterly. Commercial customers are also on the monthly review plan. Both

of these reviews allow for a rolling average bill so the customer avoids an annual settlement payment.

Customers may enroll in LPP at any time of the year. In early January, we changed our credit policies to allow customers to enroll even if they had a credit balance. Customers can enroll via four processes: (1) calling our toll free 1-800 number and speaking to a Customer Service Representative (this option is available 24 hours a day, 7 days a week, including Holidays); (2) utilizing the Voice Response Unit LPP enrollment option that is also available through the toll free number; (3) auto-enrolling by simply paying the Indicated Level Amount displayed on the Billing Statement; or (4) web-site enrollment.

## **COMMENTS**

### **I. IPC Agrees With Many of the Comments Filed in This Proceeding.**

In general, IPC agrees with many of the Comments filed in this proceeding. For example, we generally agree with the ICC Staff's comments regarding the proposed rules. *See* Verified Statement of Joan S. Howard. We also agree that some combination gas-electric utilities could face additional burdens. *See, e.g.,* Ameren Comments at 3-4. And, we agree that one size does not fit all—indeed, because we believe we exceed the proposed rules in many areas, forcing IPC to be the “same” would actually hurt customers, not help them. Furthermore, we agree with those who pointed out the emergency rules may in fact be too late to help many customers. Again, that is why we had most of our program in place well before this winter's heating season (and parts of it have been in place for years). Finally, we note that at least one Petitioner has revised its bullet

points in such a way that they seem to permit IPC's current practices. *See* City of Chicago's Initial Comments at 3.<sup>1</sup>

## **II. IPC Has Concerns With Some Comments, Especially Those of Cook County.**

Illinois Power is concerned with the myriad new issues raised by Cook County in its Comments. As a Petitioner, it could (and should) have raised these in its Petition and presented draft rules to accomplish its goals. That is the orderly manner for this type of case to proceed along. Rather than prolong this reply with a point-by-point rebuttal on each issue raised by the County, we highlight a few areas and note our general disagreement with the rest.

First, Illinois Power opposes a limit on the number of adjustments that can be made over the course of a year in its LPP. *See* Cook County Comments at 9. As we explained above, we make adjustments on either a monthly or quarterly basis in conjunction with having no end-of-period true-up. To impose a limitation as proposed by Cook County would hurt IPC's program and possibly require a true-up to make it work.

Second, Cook County now raises the issue of credit reporting. *See id.* at 12. But, the County makes no mention that this issue is already being addressed in a separate docket before the Commission. *See* ICC Docket 01-0046. There is thus no need for the Commission to address this issue in this case, especially where the original Petition did not address this point.

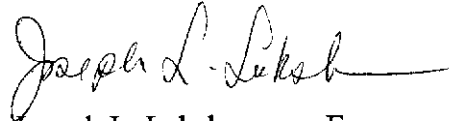
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<sup>1</sup> We continue to be concerned that some proposals seem to imply that all budget billing plans have a true-up at the end of the period. IPC's LPP does not have such a mechanism except in those instances where a customer ceases to be on the plan and, as far as we are aware, no party has disagreed with the way our LPP works. Thus, we oppose any rules that would inadvertently require us to impose a true-up. This is one of the reasons we have requested an exemption from any rules adopted in this case.

## CONCLUSION

In sum, IPC agrees that gas utilities can and should offer customers programs that assist them during this winter's heating season. And, we believe we have done so in many ways, including by having in place programs that meet or exceed the proposed rules. We therefore remain unconvinced that any rules are needed in our case. Furthermore, to the extent rules are found necessary for others and those rules would require Illinois Power lower its standards, the better course is to give Illinois Power an exemption. Because of the need for an objective criteria for an exemption and because we understand the major concerns of Petitioners are with the practices of the gas utilities serving Cook County and its environs, our proposed exemption is crafted along those lines. *See* Ex. A. We would be willing to accept any appropriate exemption that accomplishes the same result.

Respectfully submitted,



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Dated: February 13, 2001

## EXHIBIT A

IPC seeks an exemption from Petitioners' proposed rules. The Comments filed by the interested parties in this docket show that some gas utilities already have in place procedures that have assisted their respective customers with this winter's high natural gas prices. IPC allows its customers to enroll in its Levelized Payment Plan ("LPP") at any time of the year. The option to enroll in LPP is contained on each monthly bill. LPP customers do not have lump sum payments, but rather have a rolling average bill, unless the customer leaves IPC's territory or the service otherwise terminates. In addition, IPC provides its customers within a toll-free number to its Answer Center that operates twenty-four hours a day, seven days a week. These measures establish that IPC has made customer service a priority.

Furthermore, we note that Petitioners' concern was apparently focussed on gas utilities serving customers in Cook County. Petitioners have not identified any concern relative to IPC. IPC has shown that it is one of the utilities that has shown a great deal of concern for its customers and has implemented policies and services that have benefited its customers. Those policies and services meet or exceed any of the Petitioner's requested relief. IPC has demonstrated that it is entitled to an exemption from the relief requested by Petitioners.

Illinois Power requested the following exemption be added as Section XXX.YY—Exemption: Gas utilities serving no gas customers inside the corporate limits of Cook County are exempt from these emergency rules. This has been included in our final rules.

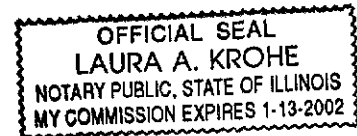
## VERIFICATION

I, Michelle L. Atkins, a Financial Controls Analyst for Illinois Power Company, being sworn on oath, states that the foregoing Verified Reply to Comments is true and accurate to the best of my knowledge, information and belief.

Michelle L. Atkins  
Michelle L. Atkins

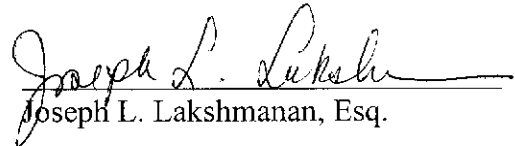
Subscribed and sworn to before me this 13<sup>th</sup> day of February, 2001.

Laura A. Krohe  
Notary Public



CERTIFICATE OF SERVICE

I, Joseph L. Lakshmanan, certify that on the 13<sup>th</sup> day of February, 2001, I served a copy of Illinois Power Company's Verified Reply to Comments by electronic mail and by first class mail, from Decatur, Illinois, postage prepaid to the individuals on the service list attached.

  
Joseph L. Lakshmanan, Esq.



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**Service List - pg. 2**

**Docket No. 00-0789**

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**Service List - pg. 3**  
**Docket No. 00-0789**

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**Service List - pg. 4**

**Docket No. 00-0789**

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